IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY APPLICATION No. 238 of 2007

For Approval and Signature:

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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RELIANCE ENTERPRISES LIMITED - Applicant(s)
Versus
. - Respondent(s)

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Appearance :
NANAVATI ASSOCIATES for Applicant(s) : 1,
None for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH

Date : 11/05/2007

ORAL JUDGMENT

1. Draft amendment is allowed. Petitioner to carry out the same during the course of the day.

2. Present Judge's Summons has been taken out by the applicant – Reliance Enterprises Limited (transferor company) for an appropriate order of convening the meetings of the equity shareholders holding fully paid up equity shares; equity shareholders holding partly paid-up equity shares and preference shareholders holding 5% redeemable cumulative preference shares to consider and if thought fit to approve, with or without modification(s), proposed scheme of amalgamation of Reliance Enterprises Limited with Farm Enterprises Limited. It is also further prayed that the requirement of holding and convening the meetings of the secured as well as unsecured creditors of the applicant company for the purpose of considering and if thought fit approving with or without modification proposed scheme of amalgamation of Reliance Enterprises Limited with Farm Enterprises Limited (transferee company) be dispensed with considering the certificate of the Chartered Accountant at Annexure – H to the affidavit in

support of the summons for direction that there are no secured and unsecured creditors of the applicant company.

3. Shri K.S.Nanavati, learned Senior Advocate appearing for the applicant company has relied upon the certificate of the Chartered Accountant at Annexure – H (page – 54) to the affidavit in support of the summons for direction and has submitted that as there are no secured as well as unsecured creditors of the applicant company, the meetings of secured as well as unsecured creditors as required under Section 391 (2) of the Companies Act; 1956 is not required and therefore, it be dispensed with.

4. Considering the fact that there are no secured as well as unsecured creditors of the applicant company, the meetings of secured as well as unsecured creditors for the purpose of considering and if thought fit for approving with or without modification proposed scheme of amalgamation of transferor company with

transferee company is not required and is accordingly dispensed with.

5. Now, so far as the prayer of the applicant for an appropriate direction to convene the meetings of the equity shareholders of the applicant company holding fully paid up equity shares, equity shareholders holding partly paid-up equity shares and preferential shareholders holding 5% redeemable cumulative preference shares of the applicant company are concerned. Upon the application of the applicant company above named by summons for directions dated 7.5.2007 and upon hearing Shri K.S.Nanavati, learned Senior Advocate with Shri Nandish Chudgar of M/s. Nanavati Associates, Advocates for the applicant company and upon reading the affidavit of Shri Pradyuman Soni, Authorized Signatory of the applicant company filed on the 7th day of May, 2007 and 10th May, 2007 and the exhibits referred therein, it is ordered :-

6. That a meeting of the equity shareholders of the

applicant company holding fully paid up equity shares of the face value of Rs.10/- per share of the applicant company shall be convened and held at Sheth Shantilal Kapashi Hall (Naroda Industries Association), Near State Bank of India, 184-A/1, GIDC Estate, Naroda, Ahmedabad – 382 330 on Thursday, the 28th day of June, 2007 at 3.30 p.m. for the purpose of considering and, if thought fit, approving, without or without modification the scheme of amalgamation of Reliance Enterprises Limited with Farm Enterprises Limited.

7. That a meeting of the equity shareholders of the applicant company holding partly paid up equity shares of the face value of Rs.10/- per share, partly paid-up to the extent of Re.1/- per share, of the applicant company be convened and held at Sheth Shantilal Kapashi Hall (Naroda Industries Association), Near State Bank of India, 184-A/1, GIDC Estate, Naroda, Ahmedabad – 382 330 on Thursday, the 28th day of June, 2007 at 4.00 p.m. or so soon thereafter after the

conclusion of the meeting of the equity shareholders of the applicant company holding fully paid-up equity shares of the face value of Rs.10/- per share of the applicant company for the purpose of considering and, if thought fit, approving with or without modification, the scheme of amalgamation of Reliance Enterprises Limited with Farm Enterprises Limited.

8. That a meeting of the preference shareholders of the applicant company holding 5% redeemable cumulative preference shares of the face value of Rs.10/- per share of the applicant company be convened and held at Sheth Shantilal Kapashi Hall (Naroda Industries Association), Near State Bank of India, 184-A/1, GIDC Estate, Naroda, Ahmedabad – 382 330 on Thursday the 28th day of June, 2007 at 4.30 p.m. or so soon thereafter after the conclusion of the meeting of the equity shareholders of the applicant company holding partly paid-up equity shares of the face value of Rs.10/- per share of the applicant company for the purpose of considering and, if

thought fit, approving with or without modification the scheme of amalgamation of Reliance Enterprises Limited with Farm Enterprises Limited.

9. That at least 21 (twenty-one) clear days before the said meetings of the equity shareholders and preference shareholders to be held as aforesaid, notices convening the said meetings at the place and time aforesaid, together with a copy of the scheme of amalgamation a copy of the statement required to be sent under Section 393 of the Companies Act, 1956 and the form of proxy shall be sent by post under certificate of posting addressed to each of the respective equity shareholders and preference shareholders of the applicant company at their respective registered or last known addresses.

10. That at least 21 (twenty-one) clear days before the meetings of the equity shareholders and preference shareholders an advertisement convening the same and stating that copies of

the said arrangement embodied in the said scheme of amalgamation and of the statement required to be furnished pursuant to Section 393 of the Companies Act, 1956 and the prescribed form(s) of proxy can be obtained free of charge at the Registered Office of the applicant company or at the office of its advocate, be inserted once each in “Indian Express” Ahmedabad edition in English and “Sandesh” in Gujarati both newspapers circulating in Ahmedabad and that the publication of the notice of the said meetings in the Government Gazette is dispensed with.

11. That Justice Shri S.D.Dave (Retd.) and failing him, Shri Vinod Ambani failing him Shri K. Sethuraman shall be the Chairman of the meeting of the equity shareholders holding fully paid up equity shares of the face value of Rs.10/- per share of the applicant company to be held on Thursday the 28th day of June, 2007 at 3.30 p.m. as aforesaid or any adjournment or adjournments thereof.

12.That Justice Shri S.D.Dave (Retd.) and failing him, Shri Vinod Ambani failing him Shri K. Sethuraman shall be the Chairman of the said meeting of the equity shareholders of the applicant company holding partly paid up equity shares of the face value of Rs.10/- per share, partly paid up to the extent of Re.1/- per share of the applicant company to be held on Thursday the 28th day of June, 2007 at 4.00 p.m. as aforesaid or any adjournment or adjournments thereof.

13.That Justice Shri S.D.Dave (Retd.) and failing him, Shri Vinod Ambani failing him Shri K. Sethuraman shall be the Chairman of the said meeting of the preference shareholders holding 5% redeemable cumulative preference shares of the face value of Rs.10/- per share of the applicant company to be held on Thursday, the 28th day of June, 2007 at 4.30 p.m. as aforesaid or any adjournment or adjournments thereof.

14.That the Chairman appointed for each of the said

meetings of the equity shareholders and preference shareholders do issue the advertisements and send out the notices of their respective meetings as referred to above.

15. That the quorum for the said meeting of the equity shareholders holding fully paid up equity shares of the face value of Rs.10/- per share of the applicant company shall be 5 (five) equity shareholders present in person.

16. That the quorum for the said meeting of the equity shareholders of the applicant company holding partly paid up equity shares of the face value of Rs.10/- per share, partly paid up to the extent of Re.1/- per share, of the applicant company shall be 5 (five) equity shareholders present in person.

17. That the quorum for the said meeting of the preference shareholders holding 5% redeemable cumulative preference shares of the face value of Rs.10/- per share of the applicant company

shall be 5 (five) preference shareholders present in person.

18. That voting by proxy be permitted provided that a proxy in the prescribed form and duly signed by the person entitled to attend and vote at the aforesaid meeting(s) or by his authorized representative, is filed with the applicant company at his registered office at 194, G.I.D.C., Industrial Estate, Naroda, Ahmedabad – 382 330, Gujarat not later than 48 hours before the time fixed for the relevant meeting.

19. That the number of value of the shares of each of the equity shareholders and preference shareholders shall be in accordance with the records or registers of the applicant company and where the entries in the records or registers are disputed, the respective Chairman of the respective meetings of equity shareholders and preference shareholders shall determine the number or value for the purpose of the relevant meeting and his decision in that

behalf shall be final.

20. That the Chairman of each of the aforesaid meetings do report the result of each of the said meetings to this Court within 14 (fourteen) days of the conclusion of the said meetings and the said report shall be verified by his affidavit.

21. This application is accordingly disposed of.

[M.R.Shah, J.]

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